



# Department of Justice

---

June 7, 1993

**SUMMARY OF ANTITRUST ENFORCEMENT ACTIONS  
FOR PUBLIC RELEASE  
FOR TUESDAY JUNE 1, 1993 THROUGH FRIDAY, JUNE 4, 1993**

6/2/93

Department of Justice Issues Business Review Letter

In a letter from John W. Clark, Acting Assistant Attorney General in charge of the Antitrust Division, to Suzanne E. Harley, counsel for the Nickel Users Purchasing Association, Inc. ("NUPA"), the Department announced that it does not intend to challenge the formation of NUPA. NUPA, a for-profit corporation, will negotiate and purchase primary nickel and arrange for resale, warehousing, storing, insuring and shipping of primary nickel for its members. NUPA's membership will be open to U.S. purchasers of primary nickel, a material that is used in manufacturing processes, melted or processed into alloys, or used in making steel. Customers of primary metal products include the resistance heating, automotive specialty, aerospace, nuclear and stainless steel industries. Clark said the proposal does not appear likely to reduce competition in the market for the purchase of primary nickel since annual U.S. consumption represents approximately 15 percent of what is a world market. Also, the proposal is likely to be procompetitive because it could create efficiencies that would result in lower prices both for nickel and nickel-based products manufactured by members. Clark also stated that while there was some risk that the venture could facilitate coordinated behavior, that risk was not substantial given the safeguards adopted. These safeguards involve the use

(MORE)

of an independent administrator who will negotiate with nickel producers and maintain the confidentiality of the negotiations. NUPA has also adopted procedures to ensure there is no exchange of competitively sensitive information through meetings or otherwise.

Copies of legal filings are available from the Legal Procedure Unit, Antitrust Division, Room 3233, Telephone No.: 514-2481.